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RECEIVED

JAN 23 2014

AOGCC

January 23, 2014

Alaska Oil and Gas Conservation Commission
333 W. 7th Avenue, Suite 100
Anchorage, AK 99501

Re: Third Round Public Comment
Concerning Changes to Title 20, Chapter 25 of the AAC
With Regard to Hydraulic Fracturing

Dear Commissioners:

At the most recent hearing on proposed hydraulic fracturing regulations, ConocoPhillips was invited to submit additional clarifying comments. Our additional comments are set forth below.

On water sampling, ConocoPhillips has reviewed the comments that Analytica submitted to AOGCC on 1-09-2014. Analytica's comments are thorough, detailed and consistent with ConocoPhillips' views. ConocoPhillips has also inquired into potential costs for water well sampling and determined that consulting fees to sample a water well as currently detailed in the proposed regulation could range from \$3500 - \$4500 per well. Additionally it would cost approximately \$1800 - \$2500 for the analysis. Thus, the total would be \$5,300 - \$7,000 per water well. For AOGCC's information, included in Attachment I are pictures of the sample containers that would be needed to get the water analysis that is required under the proposed regulation.

On organization, ConocoPhillips would like to clarify the comments in our 1-9-2014 letter to the AOGCC. The proposed regulation has changed over the course of three rounds of public comment. In particular, the section on water sampling has changed, introducing substantive standards on issues (such as how to deal with lack of landowner consent) into the section that governs information to be included in an application for approval of hydraulic fracturing. We commend the AOGCC for responding to comments and improving the proposal, yet we believe the current proposal is organized in a way that may be modified during Department of Law review as part of the administrative rulemaking process. We are concerned about the potential for unintended consequence if the final form of the rule differs significantly from the version that went through public comment.

The bulk of our concern could be addressed if the AOGCC were to move most of the current paragraph at .283(a)(4) to a separate subsection addressing standards for water sampling. Some of section .283(a)(4) would remain to require water sampling information as part of an application. This reorganization would make it easier to determine what is required as part of an application, and what is required as a performance standard.

For illustrative purposes, one way to achieving this reorganization, would be to rewrite section .283(a)(4) as follows:

(4) a plan for baseline water sampling of water wells that meets the criteria of 20 AAC 25.283(x).

20 AAC 25.283(x) would then be added as a new subsection, to read:

(x) Before hydraulically fracturing a well, the operator must collect and submit to the commission baseline sampling data for any water well within a one-half mile radius, at any depth, of the well to be fractured. For each water well sampled, the operator shall describe how the well was selected for sampling. If water well owner does not grant permission for sampling or permission to disclose the results, the operator shall document the efforts taken to secure such permission and provide such documentation to the commission on request. Unless otherwise approved by the commission, pre-fracture water well sample analysis shall include pH; alkalinity [etc.] The operator shall use sample custody and collection protocols and analytical methods for drinking water as approved by EPA or the Alaska Department of Environmental Conservation. Within 90 days of collecting required samples, the operator shall provide copies of the test results, analytical results and sample locations to the commission and to the Alaska Department of Environmental Conservation in printed form and in an electronic data format that is acceptable to the commission. Within 24 hours of receiving the test results, the operator shall notify the commission and the well owner if: (A) the test results indicate thermogenic or a mixture of thermogenic and biogenic gas; (B) the methane concentration is detected at or above 10 mg/l; (C) BTEX compounds, GRO, or DRO is detected; or (D) the methane concentration increases by more than 5.0 mg/l between samples, if the commissioner has required post-fracturing sampling under 20 ACC 25.283(j).

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We hope these clarifications, information and suggestions are helpful to the AOGCC. Please note, however, that nothing in this letter is intended to modify or detract from comments previously submitted by ConocoPhillips on the proposed regulations.

Sincerely,

A handwritten signature in dark ink, appearing to read "MW", followed by the word "FOR" in a smaller, less distinct script.

Michael Wheatall

Manager

Drilling & Wells Alaska

MW:sb

Attachment I



Sampling containers required for water well analysis under the proposed frac regs